

1           company back to our customers. So we are working  
2           extremely hard on that.

3       Q.   Do existing employees of a company usually  
4           willingly accept additional job duties that are  
5           caused by that company eliminating jobs?

6       A.   As I said before, and if you are talking about the  
7           merger, if you are talking about that situation, I  
8           think we are doing a variety of things to make  
9           sure that we have got the right number of people  
10          doing the right things, that they will be trained.  
11          That we have the skills and the knowledge and we  
12          are assembling that into integrated teams of  
13          people. And that we wind up with a high level of  
14          employee satisfaction, which should translate to  
15          good service delivery to our customers. That's  
16          what this is all about.

17      Q.   Do vendors usually agree to terms that reduce the  
18          level of revenues that the vendors receive?

19      A.   Not willingly. Not in my 35 years of experience.

20      Q.   Are you aware of past service quality concerns  
21          that the Missouri Public Service Commission staff  
22          has had with Aquila?

23      A.   Not specifically.

24      Q.   Do you know the frequency with which Aquila  
25          provides service quality reporting to the Missouri

1 Public Service Commission staff and the Office of  
2 the Public Counsel?

3 A. I don't specifically. I will tell you that I do  
4 have a sensitivity around the whole customer  
5 service area. I think I have -- the sense I have  
6 is an appreciation of the work that Jim Alberts  
7 has done in terms of their call center and those  
8 operations. And that is certainly beside the fact  
9 that we are impressed with him as an individual  
10 and as a manager. We certainly were well aware of  
11 signals from the Commission about, and the  
12 Commission staff about how highly they regarded  
13 him. We regard him highly as well. It is a good  
14 thing that there is a convergence on that.

15 Q. Are you aware that Kansas City Power & Light  
16 Company has a service quality reporting  
17 requirement to the staff of the Missouri Public  
18 Service Commission and the Office of the Public  
19 Counsel?

20 A. Yes.

21 Q. Do you know how often that reporting is made?

22 A. I think monthly. I'm not sure. I'm not certain.

23 Q. Do you know what is reported?

24 A. I don't. I don't recall the details. Our call  
25 center operations and customer complaints. A

1 whole series of service objectives.

2 Q. Do you know what service quality indicators or  
3 metrics provide assurances that Kansas City Power  
4 & Light Company is providing quality customer  
5 service?

6 A. There are a number of metrics we track. We do it  
7 in our own business planning. Around our call  
8 center, around service dates, all sorts of issues.  
9 There are a number of them we track. I am not  
10 sure that I specifically can cite the ones we put  
11 into the report to you.

12 Q. Do you know what are considered to be acceptable  
13 levels of service quality, as indicated by service  
14 quality indicators, or metrics were developed? I  
15 am referring to Kansas City Power & Light Company  
16 with that question.

17 A. A lot of them get developed over time. We  
18 benchmark with other organizations. If it is the  
19 call center, we look not only at the utility  
20 industry, we look at call centers in general. I  
21 have been looking at call center metrics for the  
22 better part of my career. And when I came here,  
23 we didn't have a very high quality of call center.  
24 I think we have improved it. We look at tree  
25 trimming, we look at meeting service dates. We

1 look at accuracy of meter reading. Reading on  
2 time, billing on time. I mean, there are a whole  
3 variety of metrics and they all get developed over  
4 time.

5 We have been using a score card approach  
6 for probably four or five years now and it gets  
7 visibility all the way up to our Board of  
8 Directors. The benchmarking metrics we use get  
9 challenged. We review and vet the benchmarking  
10 for transparency, for source data. Make sure we  
11 are accurate about it so that we are not kidding  
12 ourselves. So over time these things evolve as  
13 issues arise.

14 We just testified in front of the staff  
15 with regard to tree trimming. And played I think  
16 a very active and positive, constructive role in  
17 that process around what is appropriate and what  
18 isn't and what do we need to do. I can remember  
19 2002 with the ice storm, facing that question and  
20 a whole lot of issues that arose from it. So over  
21 time these things ebb and flow, but there are some  
22 core things that we all look at. And then we use  
23 that every year as a part of our continuous  
24 improvement process. We reset goals every year.

25 We challenge our managers to get better.

1 We have challenged our whole team to be among the  
2 top performers in the industry on key indicators.  
3 And we get the appropriate benchmark group for our  
4 generating fleet, we get the appropriate benchmark  
5 groups for our call center, we get the appropriate  
6 benchmark groups for our T & D organizations. And  
7 that's the way that we go about our business.

8 Q. The service quality metrics that you have just  
9 been discussing, how often are those generated for  
10 Kansas City Power & Light Company's purposes?

11 A. Monthly, for a corporate-wide look. Individual  
12 subdepartments might do it more frequently, but  
13 monthly the company reports.

14 Q. What steps have been taken by Kansas City Power &  
15 Light Company or Great Plains Energy to ensure  
16 that service quality will not deteriorate for  
17 either Aquila's customers or KCPL's customers if  
18 the merger closes?

19 A. Well, we actually are talking quite seriously  
20 about all of that right now. We would like to  
21 make sure that the total organization achieves  
22 comparable performance. And comparable means  
23 comparable to the highest level of performance  
24 that we can get. I mean, if the Aquila subset of  
25 the organization has a better performance record

1           than we do, we will move to the higher standard.  
2           But what we would like to make sure is across the  
3           whole organization, if we are talking about call  
4           center performance or we are talking about name  
5           the issue. Equivalent availability, capacity  
6           factor, that we will be a top performing  
7           organization across both of those.

8                       Now, in all likelihood, it is not  
9           possible day one, but we will begin immediately a  
10          journey to improvement with that target set as to  
11          where we want to be. And that will be explicit  
12          with the officers who will be accountable for it  
13          and it will be communicated down through the  
14          organizations. Now, we have got to merge  
15          obviously a culture, two cultures, at least two  
16          cultures into one. And that will be a strong --  
17          that will be the way we lead the organization, the  
18          way we communicate about it. And it will be our  
19          set of objectives. That is very clear to  
20          everybody in our organization.

21       Q.   Do Kansas City Power & Light Company or Great  
22           Plains Energy plan to make any changes in how it  
23           monitors service quality post merger?

24       A.   I think we monitor it pretty intensely now. I  
25           would expect more of the same.

1 Q. Assuming the merger closes, would Kansas City  
2 Power & Light Company, Great Plains Energy, be  
3 willing to receive input from staff from Missouri  
4 Public Service Commission and the Office of Public  
5 Counsel as to any additional service quality  
6 indicators they might suggest as being  
7 appropriate?

8 A. I would think we always would be interested and  
9 receptive on those issues.

10 Q. How is Kansas City Power & Light Company operated  
11 separately from Great Plains Energy?

12 A. Well, there are utility issues and there are  
13 holding company issues. I am the CEO of the  
14 utility. We have a regular set of business  
15 processes and objectives. We have regular  
16 reporting relationships. We conduct regular  
17 meetings. I head up officer meetings. You know,  
18 we run the organization. We run the utility as a  
19 utility and we are focused on it as a utility. We  
20 are focused on the total results of the utility.  
21 We report it out that way. We have a board that  
22 is very much in common. There are a couple of  
23 exceptions. Actually the board structure we have,  
24 where you have these kind of things, is best  
25 practice. I serve on other boards.

1                   If you lack transparency from the  
2           holding company into the operating units, you have  
3           got issues as a board. So the fact that we have a  
4           combined board is actually a best practice. And  
5           there is total transparency from one to the other,  
6           which I think is a good thing. So I mean, we run  
7           the utility as the utility. We know what the  
8           objectives are for this service area, for the  
9           people who regulate us, for our customers. You  
10          know, it is run as its own entity.

11       Q.   Are you the highest ranking officer of Kansas City  
12           Power & Light Company?

13       A.   My boss Mike Chesser is the chairman.

14       Q.   I think you may have touched on this before, but I  
15           want to give you the opportunity to indicate  
16           whether there is anything in addition. What is  
17           the business purpose of Kansas City Power & Light  
18           Company?

19       A.   It is to provide reliable electric service as  
20           required by our customers.

21       Q.   Does Great Plains Energy have an interest in  
22           dividend income?

23       A.   From its subsidiaries? I'm not sure that I -- I'm  
24           not sure what you mean.

25       Q.   Yeah. Make it from dividend income from its



1 subsidiaries.

2 A. Well, that is the sole source of its earnings is  
3 from the operations of its subsidiaries, whether  
4 they are regulated or unregulated. So yes, the  
5 dividend up is important, because that is the  
6 source of funds to pay shareholders.

7 Q. Does Great Plains Energy also have an interest in  
8 providing dividend income to its shareholders?

9 A. Yes. It is critical to our overall ability to  
10 raise capital, particularly in this period of  
11 reinvestment in the infrastructure in the electric  
12 utility industry.

13 Q. Does Great Plains Energy have any managerial  
14 responsibilities for Kansas City Power & Light  
15 Company?

16 A. Clearly they are the owners of the business.

17 Q. So whatever managerial responsibilities they have  
18 are as owners?

19 A. Yes.

20 Q. Or as the owner. Does Kansas City Power & Light  
21 Company have the responsibility of determining the  
22 appropriate level of dividends it provides to  
23 Great Plains Energy in light of its other  
24 competing needs for cash?

25 A. The utility functions as a utility. We dividend

1 up to the parent, our utility board has to approve  
2 those dividends. They have the responsibility,  
3 fiduciary responsibility to operate in the best  
4 interests of the utility.

5 Q. Is the management of Great Plains Energy separate  
6 and distinct from the management of Kansas City  
7 Power & Light Company?

8 A. There are people who serve in both capacities. I,  
9 for example, myself, as CEO of the utility and COO  
10 of the holding company. Mike Chesser is chairman  
11 of the utility, but chairman and COE of the  
12 holding company. Terry Basham and Barbara Curry  
13 also serve dual roles.

14 Q. Is there anyone else that serves dual management  
15 roles?

16 A. I am wondering if the secretary may be. There may  
17 be one or two others. Those are the principals.

18 Q. In those management -- in the management roles  
19 that you have at Great Plains Energy and Kansas  
20 City Power & Light Company, are there ever  
21 conflicts between the two entities?

22 A. Well, you know, there is certainly complexity  
23 whenever you have other than a simple single  
24 structure. But I think those complexities are  
25 manageable. I think the responsibilities and

1 obligations are clear. We surround ourselves with  
2 plenty of advice around those issues and we place  
3 great emphasis on disclosure and transparency when  
4 we get to issues where there might be conflict.  
5 Because that is a challenge for any management  
6 team to operate in the right manner. So is it  
7 more complex? Yes. Is it possible to do?  
8 Absolutely. It is done every day in many  
9 industries.

10 Q. Do Great Plains Energy employees have oversight  
11 over Kansas City Power & Light employees?

12 A. I think I pointed out the key interfaces. We have  
13 the chairman at Great Plains who I report to.  
14 Terry Basham and Barbara Curry play dual roles as  
15 do I. So to that extent we are there in oversight  
16 on KCPL employees. They are wearing their KCPL  
17 hat.

18 Q. In their role as a Great Plains Energy employee,  
19 do they have the right to direct what a Kansas  
20 City Power & Light Company employee does?

21 A. They direct Kansas City Power & Light employees  
22 with their Kansas City Power & Light hat on.

23 Q. Does any employee of Great Plains Energy acting as  
24 an employee of Great Plains Energy have the right  
25 to tell a KCPL employee what to do?

1 MR. ZOBRIST: Let me just object to the  
2 extent that calls for a legal conclusion.

3 A. Do you want to rephrase that.

4 Q. (By Mr. Williams) Well, you said that there are  
5 Great Plains Energy employees who do direct KCPL  
6 employees what to do, but when they do so, they  
7 are acting in their capacity as Kansas City Power  
8 & Light Company employees. My question is are  
9 there any Great Plains Energy employees acting in  
10 their capacity as employees of Great Plains Energy  
11 that have the right to tell a Kansas City Power &  
12 Light Company employee what to do?

13 MR. ZOBRIST: Same objection.

14 Q. (By Mr. Williams) You can go ahead and answer if  
15 you have one.

16 A. I think I said the management of Kansas City Power  
17 & Light has its set of responsibilities. And its  
18 role is to represent Kansas City Power & Light's  
19 best interests and that's what governs.

20 Q. Do Kansas City Power & Light Company employees  
21 provide services to Great Plains Energy?

22 A. Yes, I believe they do.

23 Q. Is there any formal agreement under which they  
24 provide those services?

25 A. I think we have a cost allocation structure that

1 allows that to occur.

2 Q. Is there anything aside from the cost allocation  
3 structure that you are aware of that would  
4 formalize that agreement?

5 A. Cost allocation structure is pretty formalized.

6 Q. You are not aware of anything else?

7 A. No.

8 Q. Does Kansas City Power & Light Company provide any  
9 services to Great Plains Energy in the same manner  
10 that it provides services to non-affiliates?

11 A. Say that again.

12 Q. Does Kansas City Power & Light Company provide any  
13 services to Great Plains Energy in any manner  
14 different than how it provides services to  
15 non-affiliates?

16 MR. ZOBRIST: Object to that. I think  
17 it is an ambiguous question. If you  
18 understand it you can answer.

19 A. I'm not sure that I do.

20 Q. (By Mr. Williams) Let me start with this. Does  
21 Kansas City Power & Light Company provide any  
22 services to non-affiliates?

23 A. To non-affiliates?

24 MR. ZOBRIST: What do you mean, an  
25 outside company? I don't know what you mean.

1 Q. (By Mr. Williams) A company that it is not  
2 affiliated with through ownership.

3 A. I don't believe so.

4 Q. Does Kansas City Power & Light Company interact  
5 with Great Plains Energy in a different manner  
6 than it does with companies with which Kansas City  
7 Power & Light Company is not affiliated in its  
8 business dealings?

9 A. Say that again.

10 MR. WILLIAMS: The court reporter will  
11 read it back.

12 (The pending question was read.)

13 MR. ZOBRIST: Do you understand the  
14 question?

15 THE WITNESS: It sounds like a legal  
16 question.

17 MR. ZOBRIST: Well, yeah, I think so,  
18 too. I think what he is asking is, do you  
19 deal with the company that owns your company  
20 any different than you might deal with Ford  
21 Motor Company. I'm not sure that's what you  
22 are asking.

23 MR. WILLIAMS: Yes.

24 A. I think there are clearly, we are in a regulated  
25 industry. And my experience has been that the

1 interaction that we have with our unregulated  
2 holding company parent gets a ton more scrutiny  
3 from the regulatory agencies who are concerned  
4 about Kansas City Power & Light. So to that  
5 extent I think we are probably more sensitive  
6 about doing the right set of things within that  
7 structure of the holding company and having  
8 non-regulated and regulated subsidiaries. So if  
9 anything, we are more careful about the boundary  
10 lines there.

11 Q. (By Mr. Williams) In the past few years has  
12 Kansas City Power & Light Company made any effort  
13 to improve its purchasing practices?

14 A. Yes.

15 Q. Have those efforts resulted in any cost reductions  
16 in Kansas City Power & Light Company's cost of  
17 doing business?

18 A. Well, I think what has happened is that our need  
19 to purchase has grown as we have engaged and  
20 embarked on a very significant construction  
21 program. We are buying lots more things. So one  
22 of the things we have attempted to do in that  
23 process is improve our purchasing function and do  
24 a better job. So I can't tell you that our total  
25 cost of purchasing have gone down. I think we

1 have improved areas and I think we have benefited.  
2 Our purchasing team has identified savings. But,  
3 you know, I think we are stepping up and we have  
4 gone from the level we were at to a significantly  
5 increased purchasing level. And obviously that  
6 will grow if we successfully consummate this  
7 merger.

8 (Exhibit Number 34 was marked.)

9 Q. (By Mr. Williams) Let me hand you what has been  
10 marked as Exhibit Number 34. What is Exhibit 34?

11 A. It says, "Purchasing Administrative Services." It  
12 is a document dated December 6, 2005.

13 Q. Are you familiar with that document?

14 A. It looks familiar.

15 Q. Would you look at the page that is marked 158,  
16 which I believe is the second page of the  
17 document?

18 A. Right.

19 Q. Is there a discussion there of certain key  
20 purchasing and supply chain metrics?

21 A. Yes.

22 Q. Does Kansas City Power & Light Company maintain  
23 metrics on the five items listed on that page?

24 A. Which five are you referring to?

25 Q. Let me take a look.



1 A. You are referring to the key purchasing and supply  
2 chain metrics?

3 Q. Yes.

4 A. I believe we do.

5 Q. Who do you provide those metrics to?

6 A. I think they are in the -- they would be in our  
7 annual reporting efforts. Our internal reporting  
8 system.

9 Q. Are they reported more frequently than annually?

10 A. I would think they would be reported monthly.

11 Q. If you would look at what is marked as Page 159.  
12 Does that page indicate a level of supply-related  
13 cost savings that KCPL was able to obtain at a  
14 particular point in time?

15 A. It says that.

16 Q. What period of time does that page indicate that  
17 those savings were achieved?

18 A. It would appear to me to be the 2005 year.

19 Q. And what level of supply-related cost savings is  
20 indicated to have been achieved?

21 A. Two and a half million dollars.

22 Q. Would you turn to the page that is marked 161. Is  
23 there a statement that appears at the bottom of  
24 that page?

25 A. Are you referring to maximizing cost savings

1 through strategic purchasing?

2 Q. Yes, what does that statement say?

3 A. "Maximizing cost savings through strategic  
4 purchasing requires a strong leadership-oriented  
5 supply management function."

6 Q. Is that an objective of Kansas City Power & Light  
7 Company at this time?

8 A. It is. It has been a journey.

9 Q. Have you been involved in any efforts to reach a  
10 collaborative agreement with the parties in this  
11 case to achieve resolution of one or more issues  
12 in the case?

13 A. Have I been involved?

14 Q. Yes.

15 A. Directly, no.

16 Q. Why not?

17 A. We have a team that has been assigned to try to do  
18 that. Not unlike we had a team when we were  
19 working on the 2004 agreement.

20 Q. Would you turn to Page 162 of --

21 MR. ZOBRIST: Exhibit 34.

22 Q. (By Mr. Williams) -- of Exhibit 34.

23 MR. ZOBRIST: I'm sorry, what page?

24 MR. WILLIAMS: 162.

25 Q. (By Mr. Williams) On that page there is a portion

1           that references a savings target. Do you see  
2           that?

3       A.    Yes.

4       Q.    What does it show that savings target to be?

5       A.    Three to five million dollars.

6       Q.    Is that an annual amount or some other basis or do  
7           you know?

8       A.    Well, this is the 2006 business plan, if I am  
9           reading it correctly. So I am assuming that means  
10          annual.

11      Q.    Would you turn to what should be the next page,  
12           163. Is there a savings target that is shown on  
13           that page as well? One or more?

14      A.    Yes, there is.

15      Q.    And how many savings targets are listed there?

16      A.    Five to seven million dollars.

17      Q.    Is that -- are those also annual amounts?

18      A.    It would appear to be.

19      Q.    Then would you turn to Page 168. Are you there?

20      A.    Yes.

21      Q.    Is there a reference there to contracts negotiated  
22           without cross functional involvement?

23      A.    Yes.

24      Q.    What contracts are those, if you know?

25      A.    I think it could be in any area. I think the

1 concept here that we have been working to embed is  
2 to have a more highly disciplined check and  
3 balance system and involvement of multiple -- if a  
4 particular area is buying something, what is the  
5 role of the purchasing organization, the legal  
6 organization and the user groups. And then how do  
7 you have the best possible organization to do that  
8 sourcing so that you have a check and balance.

9 One of the reasons we try to move in this  
10 direction is that we are moving to this huge  
11 acceleration of spend. It is do we have the right  
12 discipline into a process or did we have an  
13 optimal approach to that. So the integration is  
14 an integration of purchasing expertise, legal  
15 expertise, technical expertise and the specing and  
16 the buying and how do those all interrelate.

17 Q. Would you turn to what should be the following  
18 page, 169. Are there goals indicated on that  
19 page?

20 A. Yes, there are.

21 Q. Has Kansas City Power & Light Company achieved  
22 those goals?

23 A. I would say we haven't. This happens to be one of  
24 my personal passions in the organization and  
25 getting better discipline in this area. I view

1 the potential merger as a real enabler and  
2 accelerator of this effort. We already have a lot  
3 of thoughts there where we have looked at the best  
4 skills in both places. I think we get to a size  
5 here. And quite frankly, it is an issue that we  
6 have been pushing toward more success in the  
7 context of our large construction program. We  
8 have brought on some talent, but we haven't been  
9 able to get this implemented the way I would like  
10 to see it across the organization. When I said it  
11 is a journey, it is a long and tough journey.  
12 These are not things easily changed. But we are  
13 working on this very hard. I view this as a huge  
14 opportunity. We are moving to it very much more  
15 in the design for 2008. We are taking advantage  
16 of software systems that Aquila has, some skill  
17 sets that they have developed, the institutional  
18 change that we are causing to occur. We are  
19 upsetting a number of apple carts with this  
20 process that this has actually enabled us to move  
21 in this direction. Because I think we can get a  
22 lot better here. I don't think we are anywhere  
23 near Tier 1 yet, but I think we are going to move  
24 there. And I think this has been a great enabler  
25 of causing change to occur.

1 Q. How are the goals stated on what is marked as Page  
2 169 of Exhibit 34 currently goals of Kansas City  
3 Power & Light Company?

4 A. They are generic goals. You have to translate  
5 these into much more specific things. What does  
6 Tier 1 mean at any given time? And I will tell  
7 you that this was early in the journey. I don't  
8 think we have got all those specifically nailed  
9 down. I think we are moving toward them and I  
10 think that we have a lot of work to do. And I  
11 think the bigger organization, there are a number  
12 of enablers that are coming about as a result of  
13 these changes and we were honed in on this as part  
14 of the integration. We see this as a big  
15 opportunity. It is a big opportunity to change  
16 processes in both places to bring strength  
17 together. I talked before about picking the best  
18 from each organization, putting a different team  
19 together and moving something forward. This is a  
20 very big area for us and it is one that I  
21 personally am focused on.

22 (Exhibit Number 35 was marked.)

23 Q. (By Mr. Williams) I am going to hand you what has  
24 been marked as Exhibit Number 35. What is that  
25 exhibit?

1 A. It says, "KCPL Operations Review," with my name  
2 under it, "Board of Directors meeting, February 7,  
3 2006."

4 Q. Does Exhibit 35 have any relationship to Exhibit  
5 34?

6 A. It looks like it might.

7 Q. What relationship would that be?

8 A. Well, we -- at that meeting we were probably  
9 presenting the business plan and the Board would  
10 have gotten a big, thick packet of all of these  
11 individual plans. And this was my attempt to  
12 highlight some elements out of that plan in  
13 reviewing the plan with the Board.

14 Q. Is there a figure of 3 million shown for contract  
15 duration savings in Exhibit 35?

16 A. There is.

17 Q. Is that an annual amount?

18 A. It says, "During 2005, over 3 million in projected  
19 contract duration savings were captured." So it  
20 would appear to be 2005 results.

21 (Exhibit Number 36 was marked.)

22 Q. (By Mr. Williams) Handing you what has been  
23 marked as Exhibit Number 36. What is Exhibit  
24 Number 36?

25 A. It is a first quarter 2006 operations review dated

1 May 2nd, 2006.

2 Q. Would you turn to Page 11 of that Exhibit 35. I'm  
3 sorry, Exhibit 36. Are you there?

4 A. Yes.

5 Q. Do you see a reference to 1.5 million in savings?

6 A. Yes.

7 Q. What does that 1.5 million in savings relate to?

8 A. It seems to be specific to the Iatan project.

9 Maybe it doesn't. I am trying to -- yeah, it  
10 looks like it is within the context of the Iatan  
11 project only.

12 Q. Would you take a look at Page A-10 in that Exhibit  
13 36.

14 MR. ZOBRIST: A-10?

15 MR. WILLIAMS: A-10.

16 A. Yes.

17 Q. (By Mr. Williams) Do you know how the 5.4 million  
18 in annual savings shown there relates in any way  
19 to the 1.5 million of savings that was discussed  
20 on Page 11?

21 MR. ZOBRIST: Let me just object to the  
22 form of the question.

23 A. It is a little confusing because the top page is  
24 dated May 2nd, 2006. And A-10 refers to the third  
25 quarter highlights and fourth quarter plans. We



1           wouldn't have even been in the third quarter. So  
2           I guess -- these two go together I am assuming.

3                   MR. ZOBRIST: Don't assume that.

4       A.    I don't know. One doesn't seem to jibe with the  
5           other in terms of the dates.

6                   MR. ZOBRIST: I am not objecting to the  
7           fact that he has given you these documents.  
8           Some of them appear to be incomplete and have  
9           only certain pages. But they are what they  
10          are.

11                  MR. WILLIAMS: That's true.

12       A.    I don't know how to rationalize those two.  
13           Because one, the cover is dated May and that back  
14           page is referring to the third and fourth quarter.  
15           So I don't know.

16       Q.    (By Mr. Williams) So you don't know if there is  
17           any relationship between the two?

18       A.    I don't.

19       Q.    Do you know if Kansas City Power & Light Company  
20           is planning to continue its purchasing and  
21           sourcing efforts to achieve savings if Great  
22           Plains Energy does not acquire Aquila?

23       A.    Yes.

24       Q.    Yes, it is?

25       A.    Yes.

1 (Exhibit Number 37 was marked.)

2 Q. (By Mr. Williams) Let me hand you what has been  
3 marked as Exhibit 37. Would you take a look at  
4 Page A-9. Is there a reference on that page to  
5 1.4 million in savings?

6 A. I am having trouble finding it. Oh, there it is.

7 Q. Do you see that reference?

8 A. Yes.

9 Q. Is that reference to the 1.4 million in savings  
10 reflecting a result from what are described in  
11 there as 26 ongoing sourcing projects?

12 MR. ZOBRIST: Let me just object to the  
13 extent that the full phrase is projected  
14 annualized cost savings of \$1.4 million. You  
15 may answer.

16 A. Would you ask that again, please.

17 Q. (By Mr. Williams) I am probably going to need the  
18 document to do it. Thank you.

19 What I am asking you is, is the  
20 projected annualized cost savings of 1.4 million  
21 related to the 26 ongoing sourcing projects?

22 A. That's what it would seem.

23 Q. And are those 26 projects selected because of the  
24 expectation they will produce the greatest level  
25 of benefit?

1 A. The statement is what it is. I'm not sure why  
2 they selected the 26, other than to identify there  
3 was a thought that we had achieved those savings.

4 Q. What is Exhibit 37?

5 A. It is an appendix to a board presentation, an  
6 operations review that I would have given. It was  
7 an attempt, the appendix usually provides more  
8 detail than we generally cover with the Board, but  
9 it is additional detail that they might be  
10 interested in.

11 Q. If you prepared that document --

12 A. I did not prepare this document.

13 Q. I'm sorry, I thought you said you did. I  
14 apologize. Did you present that document?

15 A. I did.

16 MR. ZOBRIST: Let me just object,  
17 because this is a two-page document. And  
18 just so the record is clear, that is all that  
19 is contained in Exhibit 37. But you can go  
20 ahead and describe it for Mr. Williams.

21 A. This is part of a much larger document. These are  
22 two pages excerpted out of it.

23 Q. (By Mr. Williams) Is it a portion of a  
24 presentation that you made to the Board of  
25 Directors?

1 A. Yes.

2 Q. Would you make presentations to the Board of  
3 Directors that contained information that you did  
4 not believe was truthful and accurate?

5 A. No.

6 Q. So at least at the time you made that  
7 presentation, you believed the information in  
8 Exhibit 37 was true and accurate?

9 A. Yes.

10 Q. Do you believe today that it was true and accurate  
11 at the time you presented it?

12 A. This is the first time that I have probably seen  
13 it since that time. I have no reason to believe  
14 it is -- that it is not occurring.

15 Q. Do you know if any regulatory approvals are  
16 required to consolidate the operations of Kansas  
17 City Power & Light Company with the operations of  
18 any other regulated utility?

19 MR. ZOBRIST: Objection, calls for a  
20 legal conclusion. You may answer.

21 A. Would you repeat the question.

22 Q. (By Mr. Williams) Do you know if any regulatory  
23 approvals are required to consolidate the  
24 operations of Kansas City Power & Light Company  
25 with the operations of another regulated utility?

1 MR. ZOBRIST: Same objection.

2 A. I am not the legal expert on that.

3 Q. (By Mr. Williams) You don't know?

4 A. Right. Correct, yes.

5 (Exhibit Number 38 was marked.)

6 Q. (By Mr. Williams) Let me hand you what has been  
7 marked as Exhibit Number 38. Have you ever seen  
8 that information before?

9 A. Yes.

10 Q. Does that document reflect any impacts on you?

11 MR. ZOBRIST: I just object to the form  
12 of the question. I think it is vague. You  
13 can go ahead and answer.

14 A. I am not sure what you mean. It sets out  
15 authority limits, which I have to observe in  
16 approving contracts and other matters.

17 Q. (By Mr. Williams) What is Exhibit Number 38?

18 A. It is an authority delegation matrix around  
19 financial approval.

20 Q. Does it reflect any authority limits on your  
21 authority for financial approval?

22 A. Yes, it does.

23 Q. Does it reflect your current authority limit or is  
24 it a limit at some particular point in time?

25 A. Well, this was as of July 31st, 2007. I don't

1 recall that we have changed it since then.

2 (Exhibit Number 39 was marked.)

3 Q. (By Mr. Williams) I am going to hand you what has  
4 been marked as Exhibit Number 39. What is that  
5 exhibit?

6 A. Employee Payment Authorization.

7 Q. What does that document reflect?

8 A. It is probably not a document that I personally  
9 see. I am not familiar with it.

10 Q. Would you flip to the second tag on that document.  
11 Does it show employee payment authorization that  
12 you have? Does your name appear on that document?

13 A. My name appears on the document.

14 Q. Are there some numbers that appear in association  
15 with your name?

16 A. There are.

17 Q. Are those numbers an accurate reflection of  
18 your -- may I take a look at this for a moment.  
19 Employee and payment authorization?

20 MR. ZOBRIST: You are asking about him  
21 personally?

22 MR. WILLIAMS: Him personally.

23 A. Well, I see numbers and I see a series of  
24 different kinds of approval categories.

25 Q. (By Mr. Williams) I am just asking as the numbers

1 appear on there in the approval categories with  
2 respect to you, as indicated on the document,  
3 whether those are accurate or not. If you don't  
4 know, that's fine, too.

5 A. No, I don't know.

6 (Exhibit Number 40 was marked.)

7 Q. (By Mr. Williams) Let's go ahead and move on  
8 then. I have another exhibit for you, Exhibit  
9 Number 40. What is Exhibit Number 40?

10 A. A Code of Ethical Business Conduct.

11 Q. What is the date of that code of ethical conduct?

12 A. October 30, 2007.

13 Q. To whom does that Code of Ethical Business Conduct  
14 apply?

15 A. It applies to all employees of Great Plains Energy  
16 and its subsidiaries. Operating companies.

17 Q. Does it indicate when that code of conduct was  
18 revised?

19 A. Well, the date of it is October 30. I don't know  
20 how many revisions there were.

21 Q. I guess I should ask a different question. Did  
22 Kansas City Power & Light Company have a code of  
23 conduct -- or Great Plains Energy have a code of  
24 business, ethical business conduct that applied to  
25 it and its subsidiaries before October 30th, 2007?

1 A. Yes.

2 Q. Do you know if there were any changes made to  
3 that --

4 A. I don't recall.

5 Q. -- code? Give us a moment. We may be done as far  
6 as Staff is concerned. I don't have any further  
7 questions.

8 MR. MILLS: No, I don't have anything I  
9 need to ask.

10 MR. ZOBRIST: I just have one question.

11 EXAMINATION BY MR. ZOBRIST:

12 Q. Mr. Downey, Mr. Williams showed you a number of  
13 documents with regard to projected savings and  
14 actual savings. To the best of your knowledge  
15 were these figures contained in the synergy  
16 analysis that either company experts or outside  
17 experts prepared in conjunction with this merger  
18 case?

19 A. Not that I am aware.

20 Q. Okay.

21 A. The synergy analysis looks forward to -- we were  
22 not taking credit for existing savings within the  
23 KCPL operation. I think that was made quite clear  
24 in the testimony of Mr. Burr and others who were  
25 focused on this. We were -- as I said before, it



1 happens to be a particular passion of mine. We  
 2 have a strong team looking at this. This is about  
 3 going forward post merger of the things that we  
 4 testified to.

5 MR. ZOBRIST: That's all I have.

6 (The deposition concluded at 6:50 p.m.)

7 - - - -

8  
 9  
 10 \_\_\_\_\_ I certify that I have read my testimony and request  
 11 No changes be made.

12 \_\_\_\_\_ I certify that I have read my testimony and request  
 13 the above changes be made.

14  
 15 \_\_\_\_\_  
 16 WILLIAM H. DOWNEY

17 Subscribed and sworn to before me this \_\_\_\_\_  
 18 day of \_\_\_\_\_, 2007.

19 My commission expires \_\_\_\_\_.

20  
 21 \_\_\_\_\_  
 22 Notary Public

23 Missouri Public Service  
 24 JAL 11-28-2007

C E R T I F I C A T E

STATE OF MISSOURI       )  
                                  ) SS.  
COUNTY OF JACKSON     )

I, JAMES A. LEACOCK, Certified Court Reporter,  
within and for the State of Missouri, do hereby certify  
that pursuant to Notice to Take Deposition there came  
before me:

WILLIAM H. DOWNEY,

who was by me first duly sworn to testify the whole  
truth of his knowledge concerning this matter in  
controversy aforesaid; that he was examined and his  
examination then and there written in shorthand by me  
and afterwards typed, being correctly and accurately  
set forth in the foregoing 112 pages; and said  
deposition is now herewith returned.

I further certify that I am not counsel, attorney  
or relative of either party or clerk or stenographer of  
either party, or of the attorney of either party, or  
otherwise interested in the event of this suit.

IN WITNESS WHEREOF, I have hereunto set my hand  
and affixed my Seal at my office in Independence,  
Missouri, this 30 day of November, 2007.



*James A. Leacock*  
James A. Leacock, CCR  
Certified Court Reporter #662

HC